

Your Ref :

Date : 2nd December 2019

Our Ref : AL/L/19632/15

(Updated on 29th February 2020)

BY EMAIL & BY POST

Sunway International Holdings Limited

3rd Floor, Mandarin Commercial House
38 Morrison Hill Road
Wanchai, Hong Kong

Dear Sirs,

Re: Sunway International Holdings Limited (the “Company”)

We have been asked to provide an update on our legal opinion dated 5 November 2018 (the “**November 2018 Opinion**”), particularly with regard to the Company’s liability in respect of the convertible bonds which it issued on 2 May 2014. For the avoidance of doubt, the abbreviations used in the November 2018 Opinion are adopted herein.

This legal opinion has been prepared under the instructions of the Company. It is strictly confidential and should not be provided to or circulated to any other party, in whole or in part, without our prior consent.

The Company’s Liability in respect of the Convertible Bonds

As summarised in the November 2018 Opinion, the Company on 2 May 2014 issued 30 convertible bonds in the principal amount of HK\$10 million each (the “**Convertible Bonds**”) as part of the consideration for the Buyer’s purchase of the entire issued share capital of Joint Expert and the shareholder’s loan in the sum of HK\$56,226,000 owed by a wholly-owned subsidiary of Joint Expert to the Seller (the “**Share Sale Agreement**”).

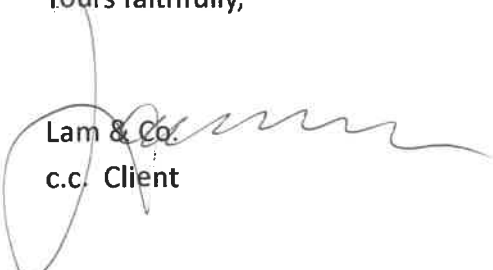
Of the 30 Convertible Bonds, 3 of them have expired and remain unconverted as of the date of this legal opinion (the “**Unconverted Convertible Bonds**”), and these Unconverted Convertible Bonds have been allegedly pledged / transferred by the Seller to a third party

and are under dispute in High Court Action No. 318 of 2016.

Based on the information currently available and the latest instructions of the Company, and subject to further development of the legal proceedings by the Company and the Buyer against, *inter alia*, the Seller in High Court Action No. 1391 of 2015, we remain of the view that it is open for the Company to argue that since the Convertible Bonds were issued in favour of the Seller as part of the consideration of the Share Sale Agreement, the Seller's entitlement to the Convertible Bonds is subject to his due performance of the Share Sale Agreement (the "**Condition**"). Accordingly, as the Seller has fundamentally breached the Share Sale Agreement, the Condition has failed and the Unconverted Convertible Bonds are void and have no effect.

Should you have any question on the above, please do not hesitate to contact our Mr. Andrew Lam or Ms. Natalie Chan on 2541 8713.

Yours faithfully,



Lam & Co.
c.c. Client